
FEDERAL ENERGY REGULATORY COMMISSION

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NEWS RELEASE

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COMMISSION OUTLINES ADR ADVANCES IN REPORT TO JUSTICE DEPARTMENT

A report spelling out the extensive steps the Federal Energy Regulatory Commission has taken to advance alternative dispute resolution (ADR) has been forwarded to the Department of Justice (DOJ) in response to a White House initiative.

The Commission moved to vastly increase its emphasis on ADR in the wake of FERC First, one of the most extensive reengineering undertakings in the federal government, and is now a leading federal proponent for the ADR process.

The staff report, prepared by the Commission's Dispute Resolution Service (DRS), responds to President Clinton's May 1, 1998, message encouraging agencies to use and expand ADR. It also elaborates on a November 19, 1999, Commission response to a DOJ survey.

Chairman James J. Hoecker commented, "Most energy companies will conclude that litigation is a terribly inefficient way to manage and compete, especially when the market moves faster than any administrative process possibly could. ADR and other collaborative processes are a key part of the Commission's efforts to reengineer itself to be 'better, faster, cheaper.' "

While the Commission has always relied on achieving settlements of contested matters, it has vastly expanded the use of ADR techniques. The Chairman created the DRS and took steps to vigorously promote ADR throughout the Commission by expanded use of collaborative processes involving its external constituents, an enforcement hotline, and the use of settlement judges.

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The report notes that the Commission's approach toward the development of competitive energy markets and collaborative processes in project development reflects a major conceptual change that was all but unthinkable just a few years ago. Because the electric power, natural gas, oil pipeline and hydroelectric power industries are becoming more competitive, and new issues are developing much more quickly than ever before, the Commission must be flexible, quick, and innovative to meet these new challenges even as it continues to fulfill its traditional responsibilities. To address these dynamics, the Commission has developed new collaborative procedures to foster greater consensus where possible in these difficult cases. It is not only making greater use of ADR processes in lieu of formal litigation; it has even offered its dispute resolution services to state regulatory agencies and energy companies, as a way to help energy markets mature faster and to head off disputes that might otherwise be destined to become docketed cases in litigation before the Commission.

To obtain a copy of the report, call the DRS at (202) 208-0702 or 1-800 FERC-ADR. The DRS may also be contacted via e-mail at ferc.adr@ferc.fed.us.